

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 /033 W
-----122474 131631Z /73

R 121111Z AUG 77

FM AMEMBASSY BERN

TO SECSTATE WASHDC 4772

INFO AMCONSUL AMSTERDAM

AMEMBASSY LONDON

AMEMBASSY COPENHAGEN

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY VIENNA

C O N F I D E N T I A L BERN 3674

VIENNA FOR LA BRIE

PASS COMMERCE

EO 11652: GDS

TAGS: EAIR SZ

SUBJ: CIVAIR: SWISSAIR FLEET PLANS

REF: BERN 797 (NOTAL)

1. SUMMARY: SWISSAIR STATES THAT IT HAS NOT YET
MADE FINAL DECISION ON WHICH AIRCRAFT IT WILL
ORDER TO REPLACE ITS OLDER DC-9-32 AIRCRAFT BEGINNING
IN 1980. ACCORDING TO SWISSAIR, MCDONNELL-DOUGLAS
DC-9-55, PRESENTLY IN PLANNING STAGE, IS MOST SUITABLE
AIRCRAFT, BUT MCDONNELL-DOUGLAS HAS NOT YET
MADE FINAL COMMITMENT TO PRODUCE THAT AIRCRAFT. END SUMMARY.

2. SWISSAIR PUBLIC RELATIONS OFFICE (MR VIRCHAUX)

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INFORMED US AUG 9 THAT SWISSAIR MUST DECIDE
BY END 1977 WHICH NEW AIRCRAFT IT WILL PURCHASE
TO REPLACE ITS OLDER DC-9-32 AIRCRAFT. SWISSAIR
HAS INFORMED MCDONNELL-DOUGLAS THAT IT WOULD
PLACE INITIAL FIRM ORDER FOR 10 OR 12 NEW DC-9-55
AIRCRAFT, CONFIGURED FOR ABOUT 150 SEATS AND
COSTING ABOUT \$12.5 MILLION EACH. HOWEVER, OTHER

AIRLINES (KLM, SAS, UTA AND AUSTRIAN AIRLINES) WITH WHICH SWISSAIR NORMALLY COORDINATES ON EQUIPMENT PURCHASES HAVE SHOWN LITTLE WILLINGNESS TO MAKE LARGE FIRM COMMITMENTS FOR DC-9-55. VIRCHAUX SAID SAS HAS RECENTLY ORDERED FOUR NEW DC-9-40 AIRCRAFT BUT WOULD CONVERT THAT ORDER TO DC-9-55 IF MCDONNELL-DOUGLAS PRODUCES THAT MODEL PLANE. HE SAID THAT AUSTRIAN AIRLINES WOULD FOLLOW SWISSAIR LEAD ON DC-9-55 BUT ONLY FOR MAXIMUM OF 5 OR 6 PLANES. THIS BRINGS POSSIBLE FIRM ORDERS TO TOTAL OF 19 TO 22 IN EUROPE. ACCORDING TO VIRCHAUX, MCDONNELL-DOUGLAS WILL PRODUCE DC-9-55 ONLY IF IT RECEIVES FIRM PURCHASE ORDERS FOR MINIMUM OF 25 AIRCRAFT, AND THAT AT LEAST 6 AIRCRAFT MUST BE ORDERED BY DOMESTIC US CARRIER.

3. VIRCHAUX SAIS SWISSAIR HAS HAD TALKS WITH AERO SPATIALE REGARDING POSSIBLE PURCHASE OF SMALL AIRBUS (MODEL B-10) WITH 180 TP 200 SEATS, IN EVENT MCDONNELL-DOUGLAS DOES NOT PRODUCE DC-9-55. SWISSAIR IS INTERESTED IN SMALL AIRBUS BECAUSE IT USES SAME ENGINES AS DC-10 WHICH SWISSAIR ALREADY HAS IN ITS FLEET. HOWEVER, AIRBUS A-300 WITH 250 SEATS WOULD BE TOO LARGE FOR SWISSAIR, EVEN FOR HIGH-DENSITY ROUTES FROM ZURICH TO LONDON OR PARIS. VIRCHAUX
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SAID THAT SAS HAS SIGNED LETTER OF INTENT TO BUY SEVERAL A-300'S.

4. VIRCHAUX NOTED THAT SWISSAIR HAS CONSIDERED REPLACING ITS DC-9-32'S WITH DC-9-51 (SWISSAIR ALREADY HAS TEN OF THESE AIRCRAFT), USING QUIETER PRATT AND WHITNEY ENGINES TO MEET NOISE LEVEL STANDARDS EQUIVALENT TO DC-9-55. HOWEVER, SWISSAIR BELIEVES ENGINE CHANGE WOULD RESULT IN PERFORMANCE LOSS.

5. BEGIN FYI: MCDONNELL-DOUGLAS VICE PRES FOR EUROPE, WARREN KRAMER, TOLD EMBOFF AUG 11 THAT INFO RECEIVED FROM SWISSAIR (PARA 2 ABOVE) IS SUBSTANTIALLY CORRECT. KRAMER NOTED THAT COMMITMENT BY SWISSAIR WOULD BE IMPORTANT FACTOR IN COMMERCIAL LAUNCHING OF DC-9-55. MCDONNELL-DOUGLAS HAS LONG-STANDING, CLOSE RELATIONSHIP WITH SWISSAIR. HE SAID NEGOTIATIONS ARE CONTINUING ON DC-9-55 WITH SWISSAIR AND US DOMESTIC CARRIERS, AND MCDONNELL-DOUGLAS IS OPTIMISTIC THAT OUTCOME WILL BE SUCCESSFUL. END FYI.

6. COMMENT: AS NOTED REFTTEL, SWISSAIR HAS INDICATED THAT IT WILL BE RETIRING SIX DC-8 AND OVER TWENTY DC-9-32 AIRCRAFT DURING PERIOD 1980 TO 2000, AND BY 1990 WOULD BEGIN TO REPLACE 12 DC-9-50 AIRCRAFT. SWISSAIR ALSO ANNOUNCED THAT ITS FINANCIAL PLANS CALL FOR ANNUAL INVESTMENT OF SF 400 MILLION (NEARLY \$166 MILLION) DURING PERIOD 1980 TO 1985.ODELL

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Message Attributes

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